

Message Text

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TAGS: EINV, PGOV, SOPN, CA
SUBJECT: ONTARIO HESITANT BENEFICIARY OF UNCERTAIN QUEBEC INVESTMENT
CLIMATE: MEDIA REACTION EXAGGERATED

1. TORONTO STAR BUSINESS EDITOR JACK MCARTHUR'S DECEMBER 28
COLUMN AND TORONTO SUN PROVINCIAL GOVERNMENT COLUMNIST CLAIRE
HOY DECEMBER 29 BOTH ADDRESSED WHAT IS BECOMING COMMON MEDIA
TOPIC IN TORONTO - EMBARRASSMENT OF RICHES AS QUEBEC FIRMS
CONTACT ONTARIO GOVERNMENT TAKING PAINS NOT TO ENCOURAGE
INQUIRIES FROM QUEBEC FIRMS. CTV NETWORK LOCAL NEWS SHOW A
WEEK AGO REPORTED ON SAME TOPIC CLAIMING THAT ONTARIO MINISTRY
OF INDUSTRY AND TOURISM NOT RESPONDING WITH INFORMATION UNTIL
THIRD CALL FROM QUEBEC FIRM AND THEN ONLY WITH FACTUAL MATERIAL
ON ONTARIO INVESTMENT CLIMATE. CTV CLAIMED INQUIRY RATE HAD
RISEN BY 1000 PERCENT, FROM ROUGHLY 3 A MONTH TO 300 AND THAT
SAME INCREASE HAD OCCURED AFTER QUEBEC BILL 22 ANNOUNCED.
HOW QUOTED MINISTER BENNETT AS INDICATING INCREASE FROM 10 TO
12 IN UNSPECIFIED GIVEN PERIOD TO 30 TO 40.

2. WHILE HOY MADE OBVIOUS POINT THAT ONTARIO PREMIER DAVIS AND
INDUSTRY MINISTER BENNETT "PLAYING DOWN" QUEBEC BUSINESS INTEREST
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SO AS NOT TO GIVE LEVESQUE "MORE FINGERS" TO POINT AT ENGLISH CANADA
IN SELLING SEPARATISM, MCARTHUR NOTED "IMPORTANT, CLOSE AND PROFITABLE"

RELATIONSHIP BETWEEN ONTARIO AND QUEBEC AND HOW ONTARIO LEADERS'
INTEREST "INCREASINGLY WILL BE TO PLACATE QUEBEC AS A MATTER OF
PURE ECONOMIC SELF-INTEREST." MCARTHUR SPECULATED THAT THIS

MIGHT CAUSE A NEW SPLIT IN CANADA SO "THERE IS NO CORRESPONDING SELF-INTEREST IN THE WEST."

3. ONE QUOTE FROM MCARTHUR IS NOT ONLY A TRUISM AS FAR AS INVESTMENT GOES BUT REFLECTS ON THE REAMS OF MEDIA REPORTING ABOUT QUEBEC. "NOTHING IS CERTAIN. ALL IS FUZZY SPECULATION. BUT UNCERTAINTY ITSELF IS THE ENEMY OF INVESTMENT ACTIVITIES."

4. DIRECTOR OF INDUSTRIAL DEPENDENT LLOYD HASSELL IN ONTARIO MINISTRY OF INDUSTRY AND TOURISM TOLD CONGEN THAT MEDIA FIGURES ARE GROSS EXAGGERATIONS AND THAT MINISTER BENNETT'S VAGUE FIGURE MIGHT

BE VALID FOR A SIX MONTH TOTAL. HASSELL SAID INQUIRIES THAT REFLECT DESIRE TO RELOCATE FROM QUEBEC ONLY PORTION OF TOTAL AND THAT THESE ENTIRELY FROM SMALL FIRMS. HE CONTINUED THAT HE KNOWS OF NO LARGE FIRM IN THIS CATEGORY BUT THAT MANY QUEBEC FIRMS OF ALL SIZES HAVE INTEREST IN EXPANDING INTO ONTARIO FOLLOWING THEIR MARKETS. WHILE PANIC EFFECT ON SMALLER OPERATIONS OF UNCERTAINTY OF PQ GOVERNMENT TRUE,

HASSELL CLAIMED MAJOR CONTINUING INDUCEMENT RECENTLY HAS BEEN EXTREMELY POOR LABOR RELATIONS UNDER FORMER LIBERAL GOVERNMENT.

5. COMMENT - THIS REPORTING TYPICAL OF LOCAL MEDIA HANDLING OF QUEBEC SITUATION WHERE EVERYBODY IS LOOKING FOR A DRAMATIC SLANT IN A SITUATION WHERE "NOTHING IS CERTAIN. ALL IS FUZZY SPECULATION." IT CAN ONLY BE HOPED THAT THE PRESS WILL FIND OTHER ISSUES BEFORE IT BLUNTS THE IMPORTANCE OF THE QUEBEC ISSUE TO THE PUBLIC BY OVERKILL.
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